

III. REMARKS

Status of the Claims

Claims 1, 7, 10, 22, 29, 30, 33-37, and 41, are amended. Claims 1-46 are presented for further consideration.

Applicant has amended the claims to more clearly describe the structure of Applicants' system that distinguishes this system over the prior art. In addition these amendments are responsive to the Examiner's assertions, relating to limitations in the claims, that were interpreted as directed to an intended use. In addition the amendments are directed to updating language and improving consistency. No new subject matter is claimed. The amendments to the claims are not intended to be limiting, are not made for reasons related to patentability, and should not be interpreted to raise issues of estoppel.

These amendments are submitted after final rejection in order to place the claims in condition for allowance or in the alternative to place the claims in better condition for appeal. Applicant submits that such amendments are properly entered under 37USC1.116. The Examiner is respectfully requested to enter these amendments in order to advance the prosecution of this application.

Applicant further submits that the Examiner has erred in issuing a final rejection. In rejecting the claims, the examiner has cited, for the first time, the reference Patricelli as a basis for the obviousness rejections. The citation of this new reference was not necessitated by Applicant's prior amendments and accordingly the issuing of a final rejection is improper under MPEP section 706.07(a) where it is stated:

"Under present practice, second or any subsequent actions on the merits shall be final, except where the examiner introduces a new ground of rejection that is neither necessitated by applicant's amendment of the claims....."

The examiner is encouraged to cooperate with applicants in defining their invention in claims that will give the patent protection to which they are justly entitled and not to prematurely cut off the prosecution of this application.

As a basis for issuing the final rejection, the Examiner indicates that Applicant's amendment necessitated the new grounds of rejection presented in the subject office action. Applicant submits that the previously submitted amendment to claim 1 does not support this assertion. Applicant added only the word "service" so that the preamble of claim 1 reads "health care service provider". Also the words "health care" was added in the first line of the body of claim 1 to read, "health care service provider". These amendments were made to provide consistency and proper antecedent basis to overcome a rejection based on 35USC112. This amendment was not made to further distinguish the claimed subject matter over the cited art. Examiner's citation of Patricelli was to bolster a deficient basis, upon which the Examiner relied for the rejection of the claims based on obviousness, and not in response to the amendment submitted by Applicant.

The Examiner is respectfully requested under MPEP section 706.07(d) to reconsider the final nature of the pending office action and the rejection in view of the above amendments and arguments. The entering of the above amendments and consideration of Applicant's remarks will permit the proper consideration of Applicants' claimed subject matter and further enhance the progress of this application.

The Office Action

Applicant has considered the Examiner's comments set forth in the Office Action mailed November 10, 2009 and responds in detail below. Reconsideration of the application is respectfully requested in view of the amendments and the following remarks.

The Examiner has apparently dismissed a significant limitation of the claims, namely (from claim 1): ***"a provider server operatively established at the health care service provider,"***, as being a recitation of intended use. Applicant submits that the Examiner has not applied this objection correctly. The above is a clear structural limitation contained in the body of claim 1. It must be given full weight. Applicant's innovation relies on the fact that the processor resources are situated at the health care service provider location and are used to process health claims to generate an adjudicated payment request. Because of the structure of Applicants' system, this payment request may be relied upon by an insurance carrier to initiate payment. The physical location of an essential element of the claims is not an intended use.

Claims 1-46 stand rejected under 35USC103(a) based on the combined teaching of the reference Boyer, et al, U.S. Patent No. 6,208,973 and the cited reference Dvorak, U.S. Publication No. 2002/0120472. This rejection is traversed on the following grounds:

The combined teaching of Boyer, and Dvorak does not render claims 1-46 obvious because it fails to teach or otherwise suggest each and every limitation of the claims. In a prima facie case for obviousness, the prior art reference (or references when combined) must teach or suggest all the claim limitations. Although the case of *KSR International Co. v. Teleflex Inc. (KSR)*, 550 U.S., 82 USPQ2d 1385 (2007), clarified the framework for the rejection of claims based on obviousness under 35 USC §103(a), a further operative question is "whether the improvement is more than the predictable use of prior art elements according to their established functions." (82 USPQ2d at 1396. (from MPEP 2141). There must also be some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. (MPEP 2141, III(G)). In this case, it is submitted that the "predictable use" of the prior art elements does not lead to Applicant's claimed subject matter.

Claim 1 states as follows:

"a provider server operatively established at the health care service provider, said provider server further comprising:

a provider storage medium configured for storing patient data and adjudication software received from a remote source;

a provider payment determination processor operatively associated with said storage medium and configured to process patient data, using said payment adjudication software to generate an adjudicated payment request;

a provider communication interface configured for receiving data and sending data including said adjudicated payment request over an external communication link in a secure manner;"

Independent claim 22 has equivalent language in method form in which the adjudication is executed at the health care service provider based on data entered in the healthcare service provider server memory.

The combined teaching of Boyer and Dvorak fails to teach these features. The Examiner relies on the teaching of Boyer as disclosing all of the claimed features of claim 1 except "a carrier communication interface for receiving data including said payment request and sending data over said external communication link in a secure manner". In addition the Examiner now acknowledges that Boyer does not expressly teach "the service provider operatively established at the health care service provider"

In Boyer, each service provider has a point of service terminal, similar to a credit card terminal, which is used to initiate a healthcare transaction (HCT). This point of service terminal is linked via the internet 14 to an Internet bank 16. These point of service terminals, therefore, are little more than a mechanism by which a patient can begin the process of paying for a health care service (see column 6, lines 24-39). Boyer indicates that the payment system access card is a co-branded VISA card having a third party payor, i.e. the health care insurance carrier, as the payment partner (column 6, lines

40-48). Boyer describes the point of service terminal further at column 7, lines 11-15 as follows:

"In the preferred implementation of the invention, the point of service terminal includes an Internet connection 14 to a node containing an Internet merchant bank 16 which is to process the credit card transaction via a credit card network 18 in the conventional manner."

The point of service terminal of Boyer does not have the features stated clearly in claim 1 as indicated above. There is no provider storage medium for storing patient data or adjudication software and there is no payment determination processor which is adapted to process patient data, using said payment adjudication software to obtain an adjudicated payment request.

In Boyer, adjudication, as defined in column 5, lines 51-55, is performed in adjudication Engine 22 which is located remotely from the point of service terminal 12. This is shown in figure 1, where the internet link 14 connects the point of service terminal only to the Internet bank 16. The adjudication engine 22 is only accessible by Internet bank 16.

In view of the fact that Dvorak relates to a universal healthcare record for establishing a centralized health care data base, the teaching of Dvorak fails to remedy the deficiencies of Boyer indicated above. There is nothing in Dvorak to suggest that the health care records of a particular patient may be resident on a computer at the patient's doctor's or other health care service provider's office, i.e. the point of service. The combined teaching therefore fails to support the rejection of claim 1 based on obviousness. These grounds apply equally to the rejected dependent claims, all of which, by dependency, have the limitations described in the independent claims 1 and 22.

Boyer is cited in the application as representative of the prior art and suffers from the general problems associated with attempts to use centralized processing centers for

health care claims processing. The processing of claim information in Boyer is described in column 14, lines 57-64 as follows:

"All claim information, including the results of adjudication, is preferably sent to the third party payor 24 in a nightly batch. Likewise, all updated eligibility information 26 is preferably submitted from the third party payor 24 to the adjudication engine 22 in batch."

This indicates that the instantaneous response to the HCT is optimistic at best because the credit card type transactions are not designed for the convenience of the service provider. They are designed to make a profit from a health care transaction. In the subject application, the adjudication process for a majority of health care claims can be handled at the health care service provider server. Payment to the health care provider will be faster and the patient will know immediately what the patient's share of the transaction will be. The system of Boyer sets up a new entity in the guise of adjudication engine 22. This will necessarily add costs to the transaction, especially if this entity is a for-profit enterprise. The system of the subject application uses resources that are currently available and communication links are minimized to facilitate communication between the health care service provider and the healthcare insurer.

The Examiner therefore has failed to present a prima facie case of obviousness. The cited reference Dvorak fails to remedy the deficiencies of the primary reference Boyer. These grounds apply equally to the rejected dependent claims, all of which, by dependency, have the limitations described in the independent claims.

To remedy the deficiencies of the combined teaching of Boyer and Dvorak, cited as the basis for the rejection in paragraph 5 of the office action, the Examiner indicates as follows:

"Furthermore, the features of having a provider storage medium and provider payment determination processor located at a health care service provider are old and well known in the art as evidenced by Patricelli"

Applicants have no choice but to consider the basis for the obviousness rejection as the combined teaching of Boyer and Dvorak in view of Patricelli, U.S. Publication No. 2002/0198831.

There are basic differences among the cited art of the combined teaching and the claimed subject matter. Boyer seeks to facilitate the payment of service providers by directly including a bank in its system. The payment determination however is provided by a third party adjudication service, which determines for the bank how much the insurer will pay and the portion of the payment that is the responsibility of the patient. An adjudicated settlement transaction is returned to the point of service terminal at which time the patients account at the bank may be debited. It involves a health care service provider, a carrier, an adjudication service, and a bank. It facilitates payment to the health care service provider of the amount for which the patient is responsible and also the balance from a participating insurer. It is designed as a universal system for servicing multiple insurers and multiple patient having different insurance carriers and different service providers.

Patricelli describes a system for accessing flexible spending accounts (FSA). It involves a customer, a goods or services provider, a *payment* service provider, a third party administrator (TPA), an insurer, and a payor, such as a benefits manager. A stored-value card associated with the customer's FSA is issued and used by the customer. When goods or services are purchased, the transaction is sent to the payor, who determines if the purchase complies with the IRS rules for flexible spending accounts, how much will be paid by the insurer, and the amount to paid by the customer. The Patricelli system facilitates debiting of a flexible spending account. Adjudication is accomplished by the payor (not the health care service provider). Related transaction data and customer records are stored by the *payment* service provider. The confusing part of the teaching of Patricelli is the use of the designations "goods or services provider" and "service provider". For clarity the "service provider" is referred to above

as "*payment* service provider" Health care services are obtained from the "goods and services provider". System administration is obtained from the "service provider".

It is clear, therefore, that goods and services provider 110 is different from service provider 120 and the respective processors are connected by a distributed computer network 140. Patricelli, therefore, does not teach a provider payment determination processor located at a health care service provider as in the subject matter claimed in this application. The Examiner's attention is directed to figure 1 and the description in paragraph 0012. An adjudication processor, therefore, is not at the goods and services provider, i.e. the health care service provider of applicant's claimed subject matter. The "service provider" of Patricelli does not include "physicians, hospitals, ambulatory surgery centers etc." as asserted by the Examiner.

The system of Patricelli does not deal with an insurance claim except collaterally to determine what may be debited from the flexible spending account. It is only designed to facilitate payments from a flexible spending account. Similarly to the teaching of Boyer, it is designed for use among multiple insurers, and flexible spending accounts, i.e. a universal flexible spending account manager.

The system of this application is a much more manageable undertaking because the patient records and adjudication software is limited to the patients and their insurance carriers, of a particular health care service. There is no reliance on a universal health care database, as contemplated in Boyer and Dvorak, nor is there needed a third party service to adjudicate claims as contemplated in Patricelli and Boyer. The system of this application is unique in its rejection of the universal health care service paradigm that is the focus of so many systems currently proposed. Its simplicity is its advantage and the source of its innovation. It relies on existing resources, not universal medical records that do not exist.

The combined teaching of Boyer, Dvorak, and Patricelli fails to support the rejection of the independent claims under consideration based on obviousness. The combined teaching fails to describe or suggest that the adjudication process may be accomplished at the point of service computer system. These grounds apply equally to the rejected dependent claims, all of which, by dependency, have the limitations described in the independent claims.

With respect to claim 2, the Examiner states that Patricelli teaches a portable device with storage capability and said patient data and adjudication software is downloaded to the provider storage medium by reading said data from said device. There is nothing in the disclosure of Patricelli that indicates that its stored value card contains anything other than flexible spending account data. The stored value card of Patricelli cannot function to download patient data and adjudication software to the point of service terminal and there is no suggestion in the combined teaching, that such a function would be desirable. There is no need, as the "product or services provider" of Patricelli does not have the capability of adjudicating an insurance claims.

The claimed subject matter is not merely a combination of old elements, but an entirely new system with a different allocation of features to elements, not considered by the prior art as capable of being configured to operate in the manner of the claimed system. The functions provided by the elements of Applicants system would not be predictable to a person skilled in the art based on the combined teaching of Boyer, Dvorak, and Patricelli.

Expert Review Claims 7 and 42

In paragraph 12 of the Office Action, the Examiner states that Boyer teaches processing of treatment plans in which expert review is required including an expert review processor according to claim 7 and 42. A careful review of the cited reference at column 7, lines 10-67 indicates that there is no mention of expert review, but only an

adjudication process that results in an "AST" (adjudicated settlement transaction). The text at column 8, lines 27-55 relates to a policy database 32 in which the rules of coverage are available. The text at column 14, lines 54-67 relates to the adjudication process. There is no mention of expert review in these references either.

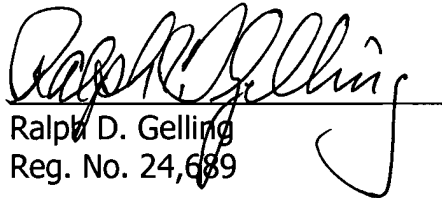
In a situation where unusual or complex treatments are proposed, a carrier will often rely on experts in a particular field that are contracted to provide a review of the proposed treatment plans. This is in the nature of a second opinion that may or may not support the proposed treatment. Claim 7 and claim 42 describes a system by which the expert review process may be facilitated. There is nothing like it in the teaching of Boyer.

In the Response to Arguments, the Examiner indicates that the adjudication engine of Boyer performs the same function as the expert review processor of claim 7 "even if not called by the same name. This is merely speculation by the Examiner. Expert review is not necessarily a standard function in an adjudication process. If it is mandated, it must be dealt with in a special manner. The system described in claims 7 and 42 provide a means by which the expert review may be accomplished in conveniently and efficiently. A person skilled in the art would not expect to find a special function for accomplishing expert review within carrier adjudication algorithms and particularly it would not be obvious to such skilled persons to accomplish the process of expert review, as described by Applicants, based on the cited art. In support, the Examiner indicates that Applicants' claims are being interpreted in the broadest reasonable sense. Applicants cannot understand, just how the expert review processor, as defined in claims 7 and 42 can be interpreted in a manner that would support the argument asserted with respect to expert review. Applicants recognize that during patent examination, the pending claims must be given their broadest reasonable interpretation, but that interpretation must be consistent with the specification. See MPEP 2111 quoting *In re Hyatt*, 211 F.3d 1367, 1372, 54 USPQ2d 1664, 1667 (Fed. Cir. 2000).

The cited reference Boyer does not disclose or suggest that its adjudication engine can be configured to provide the expert review process of claim 7 or claim 42.

For all of the above reasons, it is respectfully submitted that all of the claims now present in the application are novel and patentable over the prior art of record, and are in proper form for allowance. Accordingly, favorable reconsideration and allowance is respectfully requested. Should any unresolved issues remain, the Examiner is invited to call Applicants' attorney at the telephone number indicated below.

Respectfully submitted,


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